Using

FARM ACCOUNTS

to Find the LEAKS in the FARM BUSINESS

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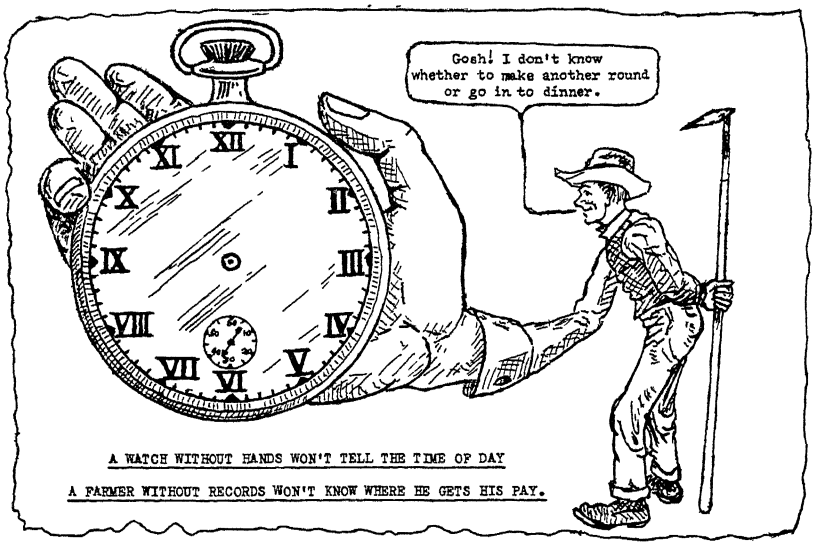
Bulletin 125
Agricultural College Extension Service
The Ohio State University - Columbus, Ohio

"Now What"?



A FARM WITHOUT A RECORD is like a watch without hands. The farm may be running but you can't tell much about it. If you will keep a record of your farm business and summarize it at the end of the year, it will tell you how much the farm has paid you for the year's work. It will also show you what parts of your farm business are particularly efficient, and where the leaks are.

Two Minutes a Day Will Help Make the Farm Pay, if Spent in Keeping a Simple Farm Account Record.

BULLETIN 125—JANUARY, 1932

The Ohio State University, Cooperating with the United States Department of Agriculture, AGRICULTURAL EXTENSION SERVICE, H. C. RAMSOWER, Director, Columbus
FREE—Cooperative Agricultural Extension Work—Acts of May 8 and June 30, 1914

Using Farm Accounts

To Find the Leaks in the Farm Business

Who Should Keep a Farm Account Record?

Every farmer who regards his farming operations as a business and expects that business to show a profit should keep a record. Regardless of whether you are on a small or large farm, you should keep track of your business. Farm account records show that some small farms pay well, while others do not. The same is true with large farms—some pay, some do not. It makes no difference whether you are a renter, whether you are still paying off the mortgage on the farm you bought, or whether you have your farm paid for, if you expect satisfactory returns from your farming operations, you should keep a record and know the facts about your business. Some, who have owned farms, have lost them because of poor business methods. On the other hand, many renters become owners because of good business methods.

If you are a farmer, your greatest ambition probably is some day to own a farm, free of debt, where you and your family may live comfortably. Furthermore, you no doubt hope to see your children well educated and to save enough so that you will not be dependent in your old age. If these are your ambitions and you expect to realize them it will be necessary for your farming operations to be profitable. A simple record of your farm business will show you the road to profitable farming and your desired goal.

What Kind of a Record Should I Keep?

The kind of a record to keep is the one that will tell you the most about your business with the least effort on your part.

There are many kinds of farm records. Some farmers use their check book and bank pass book to keep track of their income and expenses. Others use an ordinary ledger or day book, and some keep a diary. Some farmers keep records on a single branch of the farm business, such as, the cost of growing a field of corn or potatoes, income and feed expenses on the dairy cows or hens, or a record on a bunch of steers. Such records are valuable, but they do not tell a farmer whether his entire farm business paid or not. A farmer may find that he is an efficient corn grower, yet his farm as a whole may be losing money.

A farm record should include the *entire farm business* with all its branches or enterprises. Furthermore, a farm record should not only serve as a record of the business transactions of the farm, but it should also make it easy for the farmer to analyze the record at the end of the year and find the leaks in his business. An ordinary ledger book with the pages ruled off for the different enterprises will answer the purpose so far as a record of business transactions is concerned. However, such a record is not easy to summarize and analyze at the end of the year. In order to provide a farm record book that does meet the above qualifications, the farm management specialists of your college of agriculture have prepared a record book known as the "Ohio Farm Account Book."*

How Much Time Does It Take and How Hard a Job Is It?

This bulletin attempts to tell *how* Ohio farmers are using a simple record such as the Ohio Farm Account Book to find the leaks in their business. *It can be kept up to date in not more than two minutes a day.* It consists of a record of cash receipts and cash expenses for the farm business, together with an annual inventory of livestock, grain, hay, and supplies, machinery and tools, land and buildings. The record does not include household or personal expenses. It is designed to require a minimum amount of a farmer's time, yet make it possible for him to know how much the whole farm business paid him for his year's work and to tell him what parts of his business are particularly strong and what parts weak.

What Will a Farm Account Record Show Me?

If you will keep track of your farm business in one of these Ohio Farm Account Books, it will show you just how much you take in during the year from your cows, hogs, chickens, sheep, and crops. It will also tell you how much you spent for livestock, purchased feeds, hired labor, fertilizer, fuel and oil, taxes, etc.

By adding up all the receipts and doing likewise with the various items of expense you can find out how much your farm receipts exceeded your farm expenses, or, as is sometimes the case, how much the expenses exceeded the receipts. The inventory will show whether you have more or less livestock, grain, hay, and feed on hand at the end of the year than at the beginning of the year. The inventory will also tell you whether these items are worth

* This book contains 28 pages and is sold by the Agricultural College Extension Service at the cost of printing, now 14 cents.

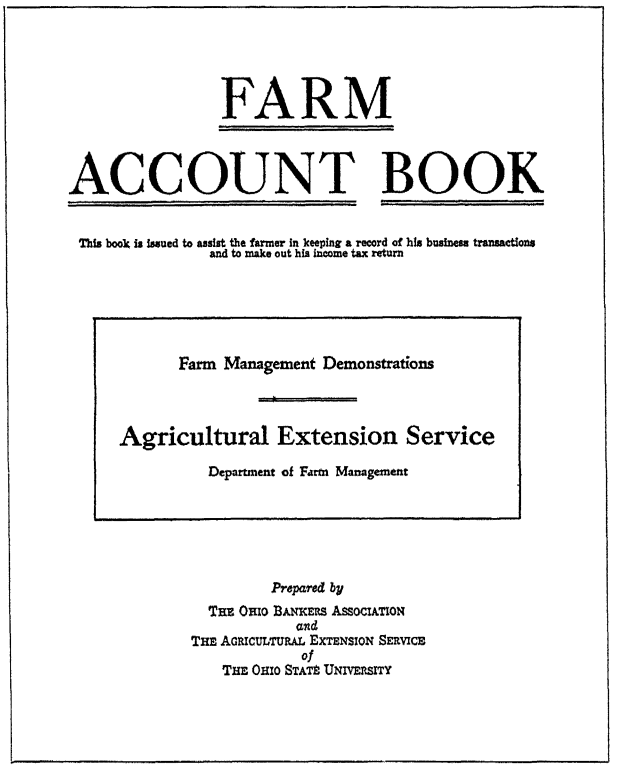


Fig. 1 —Cover page of the Ohio "Farm Account Book"

more or less, and how much more or less, at the end of the year than at the beginning of the year.

By a little figuring at the end of the year, the record will tell how much your farm paid you for the year's work, after allowing interest on capital invested and wages for family labor. Many farmers judge their farming operations on whether they are able to save any money or pay off some debt. Such a plan does not show the profitableness of the farm, because money made in the farm business is used to pay living and personal expenses. It is easily possible for a farmer whose farm pays a labor income of $500 a year, to save more money in ten years than some other farmer whose farm pays twice as much per year. The second farmer may be spending more for living and personal expenses. A record of the farm business as separate from living and personal expenses is necessary to determine whether your farm pays or not.

Would you be surprised to know that some farmers in Ohio have learned from their farm account books that even in a year like 1930, when drouth and the decline in prices cut farm incomes considerably, they received over $2000 for their work? Records have also shown that in good years like 1928 and 1929, other farmers went as much as $1000 in the hole. Down deep in his heart, every farmer would like to know whether his farm is paying or not, and if not, he would like to know where the leaks are so he can plug them.

FARM BUSINESS SUMMARY

	Beginning Inventory	Closing Inventory	Receipts	Expenses
Real Estate Land*	$11214	$11200		
Buildings and Fences*	$ 5320	$ 5320		
Cattle	p 20 $ 890	$ 975	p 4 5 $ 1513	$ 105
Horses	p 21 $ 70	$ 60	p 6 $	$
Sheep	p 21 $	$	p 6 $	$
Hogs	p 21 $ 605	$ 680	p 7 $ 1793	$
Poultry	p 21 $ 27	$ 26	p 8 9 $ 81	$ 30
Crops Grain Hay and Supplies	p 22 $ 1092	$ 955	p J $ 281	p 10 $ 635
Machinery and Tools	p 23 $ 1074	$ 932		
Labor			1 1 13 $ 18	$ 231
Other Farm Items			p 14 15 $ 113	$ 917
Total (1)	$20292	$20148	$ 3799	$ 1918

Increase in Inventory (see above)	$	
Receipts (total)	$ 3799	
Total (2)		$ 3799
Decrease in Inventory (see above)	$ 144	
Expenses (total)	$ 1918	
Total (3)		$ 2062
Farm Income (Total No 2 minus Total No 3)		$ 1737
Interest (__ % on total inventory except amount on which interest was actually paid)		$ 812
Labor Income. (Farm income less interest allowance)		$ 925

Fig 2.—Summary page of the Farm Account Book, filled in by a Butler County Farmer

The accompanying cut shows what page 24 of a Butler County farmer's account book looked like for the year 1930. This man lives on a 122-acre farm. Notice that his total cash receipts for 1930 were $3799, while his total cash expenses were $1918.

Notice that he had a decrease in inventory of $144, due largely to depreciation on machinery and a decrease in the amount of grain, hay, and supplies on hand at the end of the year. Also notice that after allowing 4 per cent interest on his investment of $20,292, he had $925 for his year's work. This man did all his farm work except the labor he hired for $231. He had 6 cows, 9 brood sows, and 25 hens.

How would you like to have a similar set of figures for your farm? All you have to do is to secure one of these account books and take about two minutes a day to keep it up to date during the year. At the end of the year you would have the above information.

How Can I Get Started with a Farm Account Record and When Should I Begin?

You can start a farm account record by getting in touch with your county agricultural agent or by writing to the College of Agriculture at Columbus. Your vocational agriculture instructor or local banker would undoubtedly help you to get a record started.

A farm account record can be started almost any time. However, most Ohio farmers begin their records either on January 1 or on March 1. Some farmers prefer to have their farm business records for the calendar year. Others prefer to begin on March 1 because of the small amount of grain and hay on hand at that time.

During January, February, and March, meetings are held throughout Ohio and are known as "Farm Account Beginners' Schools." Farmers who wish to start a simple farm record may attend these beginners' schools. At the beginners' school, the record book is briefly discussed and each farmer is given help in taking his beginning inventory. If farmers are in doubt as to what value to place on livestock, grain, hay, or machinery, the matter is discussed and values arrived at. After the inventory is taken, the only other thing necessary is to jot down the farm receipts and expenses as they occur during the year.

Fig. 3.—Montgomery County farmers get acquainted with a Farm Account Book.

What Are Some Common Leaks in a Farmer's Business?

The number of farmers that have no leaks in their farm business are few and far between. On the other hand, most farms have some strong points. Examples of common farm leaks follow:

1. Due to poor stock, poor feeding, or both, a farmer may be selling too small an amount of milk or cream per cow.
2. For reasons similar to above, a farmer may be selling only a small number of eggs per hen.
3. Perhaps the brood sows do not farrow enough pigs or maybe the farmer fails to raise a high percentage of the pigs farrowed, to market weight.

4. The sows may have been bred too late for the farmer to get his hogs on a favorable market.
5. Because of poor seed, lack of good fertility practices, or late planting, crop yields may be too low.
6. On some farms, crops and livestock are produced that are not very profitable in that community.
7. A farmer may have good livestock and high crop yields, but he may not have enough livestock or a large enough business to cover overhead charges, as taxes, interest, depreciation, and operating expenses, and still leave a wage for himself.
8. Maybe he is spending too much for some items.
9. He may have too much machinery for the acreage in crops and numbers of livestock. With the same horses, machinery, and labor, he might farm more acres and raise more feed, thereby cutting down purchased feed bills, or have more crops for sale.

In almost all phases of farming operations there are chances for the profits to leak away. On the other hand, it is also true that in almost every phase of farming operations, you have an opportunity to make those operations contribute a profit to the business. The most successful farmers have so organized their business that they have as many of their enterprises as possible on an efficient basis and have stopped most of the leaks.

Other factors such as the weather, disease epidemics, and serious declines in prices such as occurred in 1930 and 1931 have their effect on farm profits. Such factors are partly outside the farmer's control, yet records in 1930 show a wide variation in the way different farms stood the effects of the drouth and decline in prices. Only by keeping a record can a farmer know what parts of his business are efficient and where the leaks are.

How Does a Farm Account Record Show the Leaks in a Farm Business and What the Strong Points Are?

You can locate the leaks and strong points in your business by comparing the figures for your farm with the figures for a group of farms located in your section of the state. You can use the figures for such a group of farms as a measuring stick to check up on your own business. When you go threshing and find that your neighbors' wheat crops are running 25, 30, and 35 bushels per acre and your wheat only yields 20 bushels per acre, you usually wonder what is the matter with wheat growing on your farm. Is it a difference in seed, fertilizer, or the crop that preceded wheat? Just as the threshing ring checks up on your wheat yield for you, so will records tell you whether the various enterprises on your farm

are up to par or not by comparing figures for all other phases of your farming operations with similar figures for other farms.

Let us suppose that you have kept a record on your farm for the past year and that your farm paid you $300 more for your work than 30 other farms in your county paid their operators for their work during the year. If such were the case, you would know that your farm business as a whole was relatively more profitable than the other 30 farms. Suppose you find that these 30 farms on the average contained 125 acres, while you were farming a 120-acre farm. Obviously, your greater earnings were not due to more acres. Suppose your record shows that you sold $78 worth of cream per cow, while the average cream sales were only $56 per cow. This would indicate that your cows are a strong part of your business and were a factor in the $300 extra earnings.

Now suppose you had 6 brood sows and raised 48 pigs, or 8 pigs per sow per year. Maybe the average of the 30 farms was 11 pigs per sow per year. Your record would then indicate that you made the $300 extra profit, not because you were an efficient hog raiser, but in spite of the fact that you raised three less pigs per sow than the average. Hogs would be a leak in your business.

Suppose you sold an average of $2 worth of eggs per hen, while the 30 farms averaged $2.02 egg sales per hen. This would show that the hens on your farm are just average so far as efficiency of production is concerned; they are neither a leak nor a strong point. Perhaps you kept only 75 hens, while the 30 farms averaged 150 hens. If that were the case, you should consider not only better stock and better rations, but keeping more hens.

When you compare crop yields on your farm with average yields for the 30 farms, you may find that your corn and wheat yielded about the same as the other 30 farms. Maybe you harvested 2 tons of hay per acre while the average was only 1.2 tons. Perhaps you had legume hay and only a few of the other 30 farms had legumes, which accounted for the difference in average yield per acre. Furthermore, your record may tell you that you spent $100 less for purchased feed, mainly because by raising legume hay you produced more protein on your farm. This would again constitute a strong point in your farm business.

Suppose on your 120-acre farm you had 85 acres in crops, which you were farming with five horses and a tractor—an average of only 17 crop acres per horse, to say nothing of the tractor. Also suppose the average for tractor farms would be nearer 30 acres per horse. In that case you might well wonder whether you should not sell a horse or two, or dispose of the tractor.

Again, suppose that your record shows that you sold $523 worth of crops, $325 of which was income from some cash crop as potatoes, tobacco, melons, fruit, etc. Maybe the average of the entire group of farms was only $350 crop sales, because few of them had any cash crops.

Thus, your record would tell you that your cows, legume hay and low purchased feed bill, and your cash crops were the strong points in your business. The hogs, because of a small number of pigs raised per sow, and your low crop acres per horse were the weak points in your business.

How Are Figures from Other Farms Made Available So I Can Compare the Figures on My Farm with an Average?

For the year 1930, over one thousand farmers in Ohio kept track of their business in an Ohio Farm Account Book. In Knox County alone, 124 farmers finished records in 1930. With the assistance of their county agents, vocational agriculture instructors, and farm management specialists, the farmers had their record included in what is known as "Farm Business Analysis" report.

At the end of the year, farmers who keep track of their business in one of these Ohio Farm Account Books are invited to a meeting known as a "Farm Account Summary School." Only farmers who have kept records come to these meetings. Usually the farm management specialist and the county agent attend and help the farmers to close their books. They also figure out some of the items mentioned above. These meetings begin about 10:00 a.m. and last until about 3:00 p.m.

At the close of the "Summary School" each farmer is given an opportunity to have his record included in the "Farm Business Analysis" report for his county or district. In these reports, only averages of groups of farms are given and individual farm records are not revealed. If a farmer does not want his record included in the "Farm Business Analysis" report, of course he does not have to do so—it is his record. However, practically all the farmers wish to have their records included in the report, because they are anxious to see how the figures for their farms compare with the average, and thus find the leaks in their business.

The records turned in are taken to the Ohio State University by the farm management specialist and checked on an adding machine. Then an analysis of all the records is made and the "Farm Business Analysis" reports are prepared. Each record book is returned to its owner as soon as checked, and each farmer receives a copy of the "Farm Business Analysis" report at a later date.

The main feature of the "Farm Business Analysis" report is the "Comparison Table" which shows how the figures for individual farms compare with the average for a county or district. Besides a set of figures for the entire group of farms, the report also shows the average figures for the *most* profitable group as well as the *least* profitable group of farms.

What Does a "Comparison Table" in One of These "Farm Business Analysis" Reports Look Like?

On page 12 of this bulletin is a copy of page 4 of the 1930 Knox County Farm Business Analysis Report. It is the principal comparison table of that report. Although the page speaks for itself, it might be well to call attention to certain features.

At the left hand side of the page are listed various items, "Cash receipts less cash expenses," "Farm income," and "Labor income." These items indicate the earnings of the farms. Below are listed "Factors affecting labor income." The items under this head are the main factors that determine if a farm pays or not.

Then there are four columns of figures headed as follows: "Average of 20 most profitable farms," "Figures for your farm," "Average of 20 least profitable farms," and "Average of all 124 farms." Notice that the entire page is printed, except the column of figures which is called "Figures for your farm." The printed part of the page is the same in all copies of the Knox County farm business analysis report. Again, notice that the column of figures headed "Figures for your farm" is written in longhand. The figures appearing in that column are the actual figures of one of the 124 Knox county farmers. His report was the only one that contained the figures for *his* farm. The same was true of the reports which were given to the other 123 farmers.

Thus if you were one of these 124 Knox county farmers, your report would have contained the figures for your own farm. You could see how your business compared with the average of the entire group of 124 farms, as well as with the average of the 20 most profitable and the 20 least profitable farms. Furthermore, you could study the differences between the 20 most profitable farms and the 20 least profitable farms.

It might be interesting to note that the farmer whose figures are listed in the "Figures for your farm" column, made $741 more labor income than the average of the 124 farms. The table shows that this particular farmer kept more brood sows, ewes, and hens, but less cows than the average of all 124 farms. It also shows that he had more corn and wheat but less hay acreage than the average of all 124 farms.

COMPARISON TABLE

HOW DOES YOUR FARM COMPARE WITH DIFFERENT GROUPS IN COUNTY?

	Ave. of 20 Most Profitable Farms	Figures For Your Farm	Ave. of 20 Least Profitable Farms	Ave. of All 124 Farms
Cash Receipts less Cash Expense	$2126	$ 2404	$1286	$1513
Farm Income	1772	1574	-203	784
Labor Income	1098	948	-861	207
FACTORS AFFECTING LABOR INCOME:				
1. Type of Farming				
Number of cows	8.0	30	5.1	6.7
Number of brood sows	3.6	40	2.4	2.4
Number of ewes	32	75	46	32
Number of hens	190	450	108	118
Cash receipts from livestock	$3089	$ 3319	$2271	$2191
Cash receipts from crops	488	439	243	316
Cash receipts from miscellaneous	183	147	66	206
Number of acres of silage	5.9	-	6.3	4.3
Number of acres of corn	22.8	300	18.8	18.3
Number of acres of oats	7.9	80	7.2	7.7
Number of acres of wheat	30.5	350	25.5	22.8
Number of acres of hay	21.9	70	23.0	21.1
Number of acres of potatoes	1.5	1.5	.7	1.1
Farm area in crops - per cent	51.1%	58.1%	48.7%	52.8%
2. Size and Volume of Business				
Total acres in farm	163.7	142	169.2	142.9
Acres of crops	83.6	82.5	82.4	75.1
Total capital invested	$16,850	$15654	$16,453	$14,422
Total cash receipts	3,760	3905	2,580	2,713
Total cash expenses	1,634	1501	1,294	1,200
Total inventory change	-354	-830	-1489	-729
Inventory change, depreciation	-218	-172	-174	-165
Inventory change, livestock	-70	-737	-898	-372
Inventory change, grain and hay	-66	+79	-417	-192
3. Labor Efficiency				
Number of men	1.6	2.0	1.5	1.6
Number of horses	3.0	2.0	2.9	3.0
Tractors, total number	10	2	9	37
Acres of crops per man	52.3	41.2	54.9	47.0
Acres of crops per horse, tractor	34.8	41.2	33.6	32.1
Acres of crops per horse, no tractor	25.0	-	24.7	27.4
4. Crop Yields				
Ensilage, tons per acre	5.4	-	5.5	5.1
Corn, bushels per acre	34.5	467	24.7	27.8
Oats, bushels per acre	41.6	358	36.4	33.6
Wheat, bushels per acre	19.7	156	19.4	19.6
Hay, tons per acre	1.06	1.6	.99	1.02
Potatoes, bushels per acre	252	100	104	156.8
Fertilizer & Lime per crop acre	$2.38	$ 2.67	$1.95	$ 1.81
5. Are the Livestock Profitable?				
Net increase on cattle	$1080	$ 169	$ 488	$ 683
Net increase on hogs	870	608	447	530
Net increase on sheep	215	221	59	136
Net increase on chickens	556	1489	250	286
Net increase on productive stock	2730	2487	1244	1644
Feed fed to productive stock	1980	2025	1752	1562
Return per $1.00 feed fed	1.38	1.23	.71	1.05
Milk sold per cow	150	-	119	138
Cream sold per cow	86	46	76	68
Veal calf sales per cow	4	5	5	5
Pigs raised per sow per year	14.5	12.0	11.3	12.8
Egg sales per hen	$2.20	$ 2.94	$1.44	$ 1.73
Poultry sales per hen	1.22	1.08	1.36	1.05
Net increase per ewe	6.72	2.95	1.28	4.25
Total feed fed, all stock	2155	2135	1912	1726
Feed bought	432	589	312	314
Feed bought per cent	20.0%	27.6 %	16.3%	18.2%

Fig.4.—Comparison Table of the 1930 Knox County Farm Business Analysis Report with figures for one of the 124 farmers written in in longhand.

His farm was about average in size, but he had 8 more acres in crops than the average. His investment was a little higher, his cash receipts were about $1200 greater, and his cash expenses were about $300 more than the average of all 124 farms. This man had $100 more decrease in inventory than the average of all 124 farms.

His corn and hay yields were exceptionally good compared with the other farms, exceeding even those of the 20 most profitable farms. His oats crop was about average, but his wheat yield was almost 4 bushels per acre below the average of all 124 farms. The table shows that his cows did not show up very well. He sold $22 less cream per cow than the average of all 124 farms. He also raised less pigs per sow than the average. However, his poultry, the main enterprise on his farm, was particularly good. He had $1.21 more egg sales per hen than the average of all 124 farms, and 74 cents more than the average of the 20 most profitable farms.

Space does not permit a detailed discussion of the differences between the 20 most profitable and 20 least profitable farms. However, the table indicates that the most profitable farms excelled in numbers of all classes of livestock except sheep, in all crop yields, and that the various classes of livestock on the most profitable farms were more productive.

In addition to the comparison table discussed above, other tables are included in the report showing itemized cash receipts and cash expenses, value of different feeds fed to livestock, total production of crops, etc.

What Do Farmers Who Keep Records Say About Them?

A letter was sent to some men who have been keeping farm accounts for several years, asking the question, "What changes have you made in your farm business which have been the direct result of your farm account analysis?" Every man to whom the letter was sent replied. One man stated: "Through the farm record analysis I found that my livestock operations were losing money, especially a breeding herd of shorthorn cattle. These have been replaced by a small herd of registered Jerseys which have proven more profitable in this section. I increased my breeding herd and fed out more pigs. Four years ago I received 68 cents for each dollar's worth of feed fed, but last year I received $2.18."

Another man replied: "The farm record analysis showed that my overhead was too heavy. I had too many horses and too much machinery for the amount of crops I was raising. I am now raising more crops, but through better organization have been able to reduce my hired labor expense about $200. Being able to compare my record with others helps to locate the profitable and unprofitable

practices. The better records set a standard which has a cash value that is hard to estimate. I found that my farm was run more smoothly when my work was planned ahead in a businesslike way, and a larger business done with less hired labor expense.

After they had received their 1930 farm business analysis reports, a number of farmers were asked the question, "How many minutes did you spend studying the report?" Thirty-five men replied. Their answers ranged from 30 minutes to 5 hours, and averaged 1 hour and 45 minutes. These farmers were also asked whether or not the farm business analysis report had located the leaks and strong points in their business. One man replied: "The report showed me that I was purchasing too much feed and was not raising enough pigs per sow. It also showed that I was getting good prices through retail selling, and that my chickens and cows were my strong points rather than my hogs. The report made me feel that I could do better and made me think that circumstances are improving for me, and that I have a paying proposition ahead."

Another man said: "I spent hours studying my report. It showed the leaks in my farm business to be that I was not marketing my hogs soon enough and that I was not taking care of my chickens. The report also showed that I was raising more pigs per sow and selling more cream per cow than the average."

Will the Extension Service Help Me Analyze My Business?

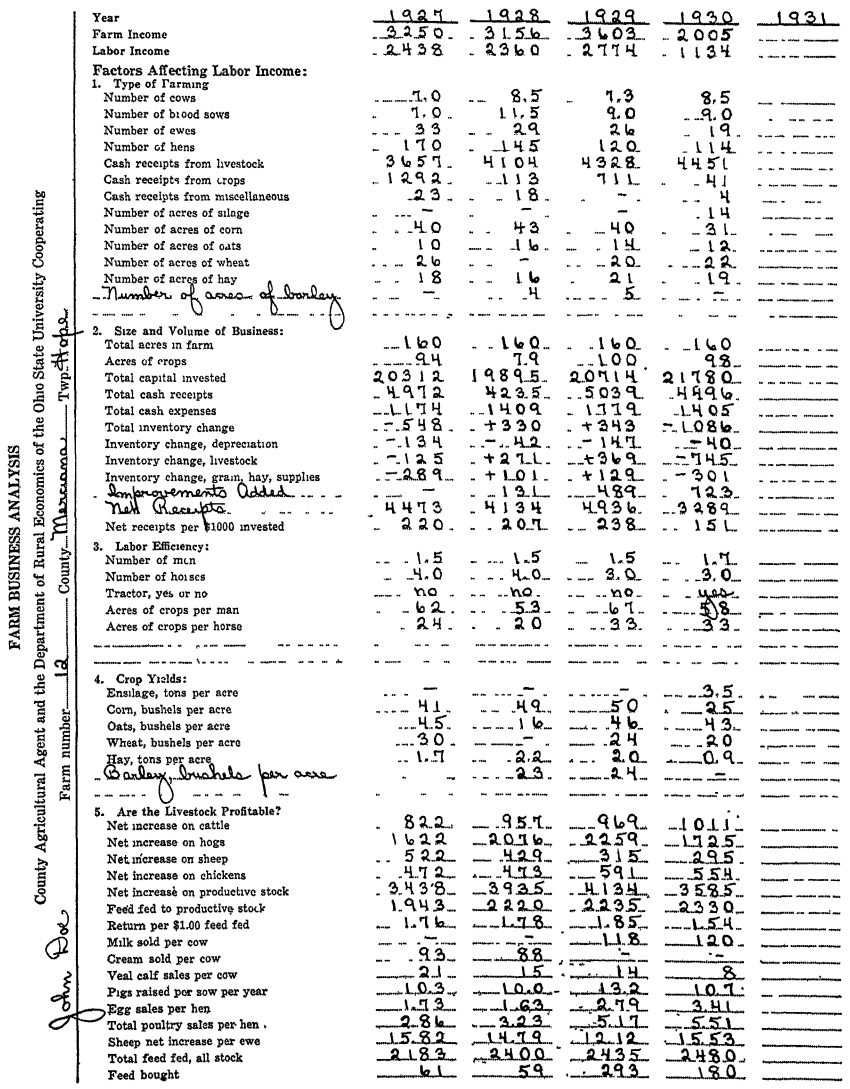
In the past, one phase of the farm account program in Ohio has been for the farm management specialist to visit farmers whose records were included in the farm business analysis reports, and discuss with them possible adjustments in their business. It is the aim of the Extension Service to continue these visits to cooperating farmers in so far as time and funds permit. In 1930 approximately 1000 Ohio farm-

Fig. 5.—The farmer and the specialist talk over the year's business.

ers were visited by the specialists to discuss with them the leaks and strong points in their business as shown by the analysis reports.

How Can I Use My Records to Study the Progress of My Farm Business over a Period of Years?

Farming is not a one-year proposition. It is a long-time business. The longer records are kept, the more valuable they become. How would you like to have a set of figures showing the results of



FARM BUSINESS ANALYSIS
County Agricultural Agent and the Department of Rural Economics of the Ohio State University Cooperating
John Doe — Farm number 12 — County Muskingum — Twp. Hope

Year	1927	1928	1929	1930	1931
Farm Income	3250	3156	3603	2005	
Labor Income	2498	2360	2774	1134	
Factors Affecting Labor Income:					
1. Type of Farming					
Number of cows	7.0	8.5	7.3	8.5	
Number of brood sows	7.0	11.5	9.0	9.0	
Number of ewes	33	29	26	19	
Number of hens	170	145	120	114	
Cash receipts from livestock	3657	4104	4328	4451	
Cash receipts from crops	1292	113	711	41	
Cash receipts from miscellaneous	23	18	–	4	
Number of acres of silage	–	–	–	14	
Number of acres of corn	40	43	40	31	
Number of acres of oats	10	16	14	12	
Number of acres of wheat	26	–	20	22	
Number of acres of hay	18	16	21	19	
Number of acres of barley	–	4	5	–	
2. Size and Volume of Business:					
Total acres in farm	160	160	160	160	
Acres of crops	94	79	100	98	
Total capital invested	20312	19895	20714	21780	
Total cash receipts	4972	4235	5039	4996	
Total cash expenses	1174	1409	1319	1405	
Total inventory change	-548	+330	+343	-1086	
Inventory change, depreciation	-134	-142	-147	-140	
Inventory change, livestock	-125	+271	+369	-745	
Inventory change, grain, hay, supplies	-289	+101	+129	-301	
Improvements Added	–	131	489	723	
Net Receipts	4473	4134	4936	3289	
Net receipts per $1000 invested	220	207	238	151	
3. Labor Efficiency:					
Number of men	1.5	1.5	1.5	1.7	
Number of horses	4.0	4.0	3.0	3.0	
Tractor, yes or no	no	no	no	yes	
Acres of crops per man	62	53	67	58	
Acres of crops per horse	24	20	33	33	
4. Crop Yields:					
Ensilage, tons per acre	–	–	–	3.5	
Corn, bushels per acre	41	49	50	25	
Oats, bushels per acre	45	16	46	43	
Wheat, bushels per acre	30	–	24	20	
Hay, tons per acre	1.7	2.2	2.0	0.9	
Barley, bushels per acre	–	23	24	–	
5. Are the Livestock Profitable?					
Net increase on cattle	822	957	969	1011	
Net increase on hogs	1622	2076	2259	1725	
Net increase on sheep	522	429	315	295	
Net increase on chickens	472	473	591	554	
Net increase on productive stock	3438	3935	4134	3585	
Feed fed to productive stock	1943	2220	2235	2330	
Return per $1.00 feed fed	1.76	1.78	1.85	1.54	
Milk sold per cow	–	–	118	120	
Cream sold per cow	93	88	–	–	
Veal calf sales per cow	21	15	14	8	
Pigs raised per sow per year	10.3	10.0	13.2	10.7	
Egg sales per hen	1.73	1.63	2.79	3.41	
Total poultry sales per hen	2.86	3.23	5.17	5.51	
Sheep net increase per ewe	15.82	14.79	12.12	15.53	
Total feed fed, all stock	2183	2400	2435	2480	
Feed bought	61	59	293	180	

Fig. 6.—Farm Business Analysis card, showing data on one farm over a five-year period.

your farming operations for the last four or five years? Many farmers in Ohio have such records.

One particular farmer began keeping records in 1923. He has all his record books and they have all been summarized. On page 15 of this bulletin is a copy of his second "Five-Year Farm Business Analysis" card. It shows a summary of his business for the years 1927, 1928, 1929, and 1930. On December 31, 1931, he will finish his ninth farm account record and can fill in the 1931 column.

The items on the left hand side of the "Five-Year Farm Business Analysis" card are practically the same as the items listed in the comparison table on page 12.

It is interesting to note that after paying all expenses, adjusting inventories, and allowing 4 per cent interest on capital, this farmer earned about $200 per month in 1927, 1928, and 1929. The drouth and decline in farm prices in 1930 cut his labor income about one-half.

As can be seen from the figures on page 15, this man has made several adjustments in his business. He has decreased his sheep enterprise and has expanded his dairy, hog, and poultry enterprises. The decrease in his sheep enterprise has been due to a reduction in number of ewes. The expansion of his dairy enterprise has been partly due to keeping more cows; more particularly it has been due to the fact that he has replaced most of the shorthorn cows which he owned in 1923, with Jerseys. His farm is in the Columbus whole milk area and, as can be seen, he has shifted from selling cream to selling milk. Note the increase in sales per cow.

The expansion of his hog enterprise has been due to raising more pigs per sow. So far as the poultry enterprise is concerned, it is quite noticeable that the expansion has been accomplished by increasing sales of both eggs and chickens per hen.

The figures also indicate that a tractor was purchased and a silo built.

A farmer will receive higher wages per hour for the time spent keeping a farm record than for anything he can do on the farm today.

There are just as many opportunities in the future as there have been in the past, for the person who will put his head as well as his hands to work.